



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

## AMERICAN BICYCLES IN ENGLAND.

BY GEORGE F. PARKER, UNITED STATES CONSUL, BIRMINGHAM, ENGLAND.

---

THE relation between the bicycle industries of England and the United States has always been close, in spite of the fact that, in the beginning, it was one of almost absolute dependence on our part. Until recently American ingenuity has not been devoted, in any large degree, to the making of devices for the promotion of sport. Our artisans, having been too busy developing the necessary to give much time to the superfluous, had few incentives to invent new devices or to make improvements upon the general principle of a two-wheeled machine for human locomotion.

The seat of the English bicycle industry has always been in Birmingham, and the towns in its neighborhood, thus practically concentrating the whole of the export trade into the Birmingham consular district, which includes the whole or part of twelve or fifteen counties in the heart of England. It was here that weldless steel tubes were first drawn and made a commercial product. This is an industry in which Americans were for a long time backward; manufacturers in other lines of the metal trade assuring me, during visits they made here in 1893 and 1894, that weldless steel tubes could not be made with profit in the United States. So the trade here was able to perfect safety cycles, and they were shipped to the United States in such numbers for several years that the makers came to look upon America as their principal outside market.

The value of machines sent from here from 1890, by which time the movement had gained enough headway to cause a separate classification, until 1893, was as follows: 1890, \$324,961.07; 1891, \$621,664.99; 1892, \$761,352.95; 1893, \$613,247.73. As an effect

of the trade depression in the United States in 1893, the exports rapidly declined. When business revived, our manufacturers were well prepared for it and the demand for cycles was so successfully filled at home, that, up to the end of the second quarter of this year, not a single complete bicycle had been sent for many months through the Birmingham Consulate.

But it is the experience of this very busy district that one thing goes out and another comes in, a fact well proven by the growth of the weldless steel tube export. In 1894 this only amounted to \$85,899.55. During 1895 it rose at a bound to \$507,041.29, and during the first quarter of 1896 it reached \$231,200.36. This movement was the result of unusual foresight on the part of the American bicycle-makers. They entered into such large contracts for Birmingham tubes that they really monopolized the product before the English bicycle manufacturers knew what had happened. Then two movements developed simultaneously. The English bicycle-makers must needs have tubes or they could not make machines, while American tube-makers saw a chance to supply their own market with these necessary materials.

In England the formation of tube and bicycle companies has been the distinctive industrial movement of the year. Men who had been makers on a small scale saw an opportunity to become, all at once, large makers of a product for which there was a general demand. Hence, small shops were enlarged; tool and machinery makers were put to work, and promoters found it profitable to float new limited liability companies. So strong was this movement that thirty-two of these were formed during the first six months of this year with a combined capital of nearly \$55,000,000. Scarcely a week has passed since the first of July without a new company, so that the number for the year promises to be not less than fifty. The speculative value of the shares of the large concerns seems to be justified by the dividends, either declared or promised, upon the first half-year's working. Some of the profits reported have been enormous, but the opinion is general that they cannot continue for another full year. It is thus impossible to separate the speculative from the investment element. So many are interested in maintaining the prices of shares that all naturally want to put off the day when the decline shall begin. The large companies in existence before this move-

ment began have shared in this speculative advance. Some of them had gone through a good many vicissitudes, but they seem to have so prospered under the influence of the general movement as to have become profitable concerns.

In the meantime the development of tube-making in the United States has been so rapid that shipments during the second quarter of this year dropped nearly one-half, to \$130,253.84, and are still going down so rapidly that they promise within another year to reach almost the vanishing point. It is not necessary for me, at this distance, to tell progressive readers in the United States how the tube industry has developed there. But it is not less well known here in every establishment in which cycles or their component parts are made. Indeed, it is anticipated that tubes will be imported here next year from the United States for use in making cycles.

Except in the case of limited liability companies—most of which are too new to have made reports—it is far more difficult to get anything like complete returns of the number of employees and the extent of output than with us. The publicity incident to business is less, and trade jealousies are many fold stronger. It is estimated that there are in Birmingham about one hundred and fifty factories connected with the cycle trade in its various branches, with about fifteen hundred or eighteen hundred employees. In Coventry, which still remains the principal centre for complete machines, there are more than a hundred firms with about seventeen hundred employees. Wolverhampton, whose business has suffered during recent years, has found something of a revival through this trade, while several other less important “Black Country” towns have some machinery devoted to the making of cycle parts. All these are in the one consular district, within the limits of which fully 80 or 90 per cent. of all the cycles made in the United Kingdom are produced.

It is calculated that the output for the home trade will be about 750,000 cycles this year, valued at £11,000,000 or £12,000,000. The foreign trade also shows a substantial increase; the exports for 1895 being £1,393,810, against £1,200,913 for 1894. No comparative treasury returns later than the first quarter of 1896 are now available. Then the exports were valued at £444,509, against £329,096, in the corresponding quarter of 1895, and £329,535 for the same time in 1894. As to capital invested, the

returns are quite as vague and are mainly estimates. According to these the limited companies engaged in the industry had a capital of about £6,000,000 at the end of last year ; since which time similar companies have been floated with a capital roughly put down at £11,000,000, total of more than £17,000,000. When to this is added the large investment of private capital, it is probably within the mark to say that about £20,000,000, or nearly \$100,000,000, has been invested in this industry. Its wide distribution was shown in a report made a few days ago by the Earl of Warwick, when, presiding over the statutory meeting of a new limited company, he stated that while the plant and fixtures were formerly owned by three men, the new shares were distributed among more than 4,000 separate holders. Nearly 2,000 patents were applied for last year for improvements and additions to cycles in their various branches. What proportion of these were issued to American inventors is not noted in the published returns.

The new element in the British cycle trade is American competition. This was entirely unlooked for, and at first the tendency to belittle it was apparent. The publication of the returns of the Treasury Department showing that from 12,000 to 15,000 high-priced machines of American manufacture had been offered in this market within a few months, coupled with the prediction that not less than 40,000 or 50,000 high-class machines would be imported next season, opened the eyes of many people. The presence of aggressive agents of American manufacturers in many of the larger towns, together with the competition of a number of expert riders in exhibitions and parades, have combined to remove a good deal of skepticism. Altogether, makers and the public now concede that American machines are likely to be an important factor even in the trade of the coming year, and to have a decided influence on prices and production if the demand for cycles continues here and grows in other parts of the world.

A word of advice to our manufacturers and dealers who hope to find a market here for some part of their product may not be amiss. The first caution I would give is concerning quality. There is a demand here, as everywhere else, for good wheels, at lower prices. The opinion is general that present prices for first-class machines are excessive, and that if the demand continues

they must be reduced. Discounts to the trade have been reduced, causing many complaints, and being, in reality, an advance upon former prices. All this tempts both domestic and foreign manufacturers to cheapen products, so that they may meet the views of thousands of people, who, without money to waste, are still anxious to have good machines. This makes it imperative for our manufacturers not only to allow no deterioration in the quality of machines offered here, but that they should, if possible, give more value for the money here than at home. The reason for this is obvious. When a mechanical product is offered in a foreign market, and especially among a watchful and intelligent people like those of England, who resent such a competition in their own markets, the reputation of the exporting country is more at stake than that of the individual manufacturer. A hundred bad machines sent by one maker, remote from the known and recognized centres of commerce, might easily stop the sale of 10,000 machines made under the best and most careful systems in the largest factories in the United States, while a dozen shipments of this kind might ruin a promising trade. Anything like a sudden cheapening of prices would look suspicious, and be accepted as a lowering of quality. After our own people, none in the world are more willing to pay a reasonable profit upon an article for personal use than those of England, and as there are already too many machines here of the cheap and nasty order to warrant competition in this kind of product, it is to be hoped for the good name of our manufacturers and the country, that there will be no attempt to enter upon it.

I am convinced that the field here for American cycles cannot be capable of indefinite expansion. This more than any other is distinctively a manufacturing country with unlimited capital and large experience in meeting competition. Business methods are slower than with us and so do not allow such rapid adjustment to new conditions. In some cases trade has been permitted to slip away ; but they are now watchful of increasing competition on all sides and are studying the question in all its bearings, with more care than for many years. They will hold as much as possible of a business like this when it becomes a settled one. This will be when it is shown that the bicycle has come to stay and that its manufacture is an industry in which account may be taken of the same elements that enter into every other branch of trade.

In spite of this it is possible for our cycle-makers to find a good market here for some years for some proportion of their surplus product; and the important thing, it seems to me, is to use this opening for entrance into the larger and more important markets beyond. The people of the colonies are used to watch so closely for any signs in the mother country that probably the best recommendation for American cycles in Australia and South Africa would be the fact that they had made a place for themselves in England itself. I hope not only to see many thousands of American machines on the roads of England, but that this will enable our makers to send many more thousands into markets which they have not yet entered as serious competitors. This is not an unnatural course. Trade may first seek the most crowded marts and then, as it gains experience and clientage, make its way into others less crowded.

The most surprising element in this competition is that an enormous amount of American machinery and tools is already in use in cycle factories here. The tendency is to increase it, the admission being made everywhere, in the smaller as well as in the larger shops, that our machinery is better fitted for its work, and that its use insures a great saving of labor, as well as an improvement of the product in both quality and appearance. It matters little that some expert inquirers are asking what good result is to come from the heavy expenditure made for some years in establishing technical schools, if a country almost devoid of them is to demonstrate its superiority as a maker of tools. A great number of local bodies all over the kingdom have erected enormous buildings—the new one in Birmingham has cost nearly \$400,000—have fitted them with every appliance for giving instruction in the trades of the district of which they are the centre, and have employed teachers and organized classes open to every apprentice and artisan at rates of tuition almost nominal. These have been the outgrowth of the recent competition from Germany, where technical schools are of long standing. It must be confessed that these institutions have been established in many places on a scale which, to a stranger, seems hardly to be justified by the use to which they are placed and the meagre results so far to be seen. I can but believe that our system of public free schools constitutes, after all, the best possible technical schools for a varied and complete industrial development.

I am sometimes asked by users of American machines to caution the manufacturer and inventor not to sacrifice strength to lightness in weight. It is represented, in explanation, that the roads in England, by the hardness of their foundation, indeed by their very superiority, are more trying on bicycles than our own, which have, in the main, a dirt foundation. I presume the American manufacturer, with his habit of studying with care the wants and conditions of a new market before he enters it, has taken all this into account, and that if he has not already learned the facts he will soon do so. But the inability of our carriage-builders to make headway here with light vehicles tends to confirm this impression, and so I repeat it for what it may be worth.

On one subject I can speak with some authority, owing to the efforts I have made since this movement started to assist our manufacturers with suggestions. This is the matter of agencies for the sale of cycles. With us all sorts of these are found in every city, town, and village. This justifies the manufacturer at home in asking his consul at a given point to send him the names of men who might handle his machines. It seems to me, however, that there is only one safe way for large producers, and that is to establish their own agencies, choosing with care the men to be entrusted with the work. As a rule, the English maker does this, and all who seek to compete with him may well learn as early as possible that they must do the same thing if they expect to make headway. When small concerns seek to make sales here, several might combine for the purpose. The few agents found here usually represent certain makers, and accept other machines as a sort of incident to their business. As they push this one, which may have a considerable reputation, all others must take care of themselves. Every American business man will know what this means in a country far distant from the place of production, the very name of which may be unfamiliar to the purchaser. Several companies have already seen the difficulties, and, having sent their own agents, are pushing their business in accepted American fashion.

One other matter seems to me important. The wheels of most American machines offered here are made with wooden rims, which are thus far unfamiliar to the British market. Aside from the question as to their adaptability to the damp, muggy



climate, there are peculiarities of structure not possessed by the ordinary machine of English build. It seems to me, then, that the important thing is to have repair shops in centres like London, Bristol, Birmingham, Manchester, Bradford, Sheffield, Edinburgh, Glasgow, Dublin, and Belfast. These need not be maintained by each company, but for the repair of American machines in general. They need not be large, but should be in the hands of efficient and practised workmen, who, being paid American wages, will know how to deal fairly with the great number of cycles for which our makers expect to find a sale here. Perhaps, as the use of our machinery is extended on this side, the necessity for this may disappear. The British workman can be absolutely depended on not to deal maliciously with an outside machine, but the conditions under which he works are so different from those in the shops where such cycles were made that he necessarily lacks knowledge or skill for dealing with them. The adoption of this suggestion would, I think, overcome some difficulties, and by reassuring the buyer on the point of convenience, price, and quality would enable many an agent to make a sale which would otherwise be difficult or impossible.

It is certainly creditable to the genius and adaptability of our people that they have taken up a new industry with such energy and success as to cut off all foreign trade in the completed product, and then in one of the principal articles entering into it, and that, within a few years, they should engage in competition with the foreigner in his own market and sell more machines in England, in the face of the severest competition from every quarter, than the English makers, with the whole supply in their hands, ever sold in the American market within the same length of time. It is much that in the year 1896, in addition to filling the home demand, our makers should send into the different countries of the world more than half the number of complete machines exported by British makers to the same markets during 1895. This having been done, it ought to be possible to supply the home demand and to sell to other peoples during the season of 1897 more machines than England, France, and Germany combined. An industry which can show such results as this within eleven years after its birth is entitled to be called a pretty lively infant.

GEORGE F. PARKER.